

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FILED/ACCEPTED
SEP - 5 2007
Federal Communications Commission
Office of the Secretary

In the Matter of)	EB Docket No. 07-147
)	
PENDLETON C. WAUGH, CHARLES M.)	File No. EB-06-IH-2112
AUSTIN, and JAY R. BISHOP)	NAL/Acct. No. 200732080025
)	
PREFERRED COMMUNICATION)	FRN No. 0003769049
SYSTEMS, INC.)	
)	
Licensee of Various Site-by-Site Licenses in)	
the Specialized Mobile Radio Service.)	
)	
PREFERRED ACQUISITIONS, INC.)	FRN No. 0003786183
)	
Licensee of Various Economic Area Licenses)	
in the 800 MHz Specialized Mobile Radio)	
Service)	

To: Pendleton C. Waugh

ENFORCEMENT BUREAU'S REQUEST FOR
ADMISSION OF FACTS AND GENUINENESS OF DOCUMENTS TO
PENDLETON C. WAUGH.

The Enforcement Bureau, pursuant to section 1.246 of the Commission's Rules, 47 C.F.R. § 1.246, hereby requests that, within 10 days of service of this request, Pendleton C. Waugh ("Waugh"), admit to the truth of the following facts and genuineness of the attached documents, as set forth in the following numbered paragraphs. Each response shall be labeled with the same number as the subject admission request and shall be made under oath or affirmation of the person providing the response.

No. of Copies rec'd
List ABCDE

oHC

Definitions

For this document, the following definitions apply:

"PAI" means Preferred Acquisitions, Inc., any affiliate, d/b/a, predecessor-in-interest, parent company, wholly or partially owned subsidiary, successor-in-interest or other affiliated company or business, and all directors, officers, employees, shareholders or agents, including consultants and any other persons working for or on behalf of any of the foregoing during the period January 1, 1998 through the present.

"PCSI" means Preferred Communication Systems, Inc., any affiliate, d/b/a, predecessor-in-interest, parent company, wholly or partially owned subsidiary, successor-in-interest or other affiliated company or business, and all directors, officers, employees, shareholders or agents, including consultants and any other persons working for or on behalf of any of the foregoing during the period January 1, 1998 through the present.

"Waugh" means Pendleton C. Waugh.

"Act" means the Communications Act of 1934, as amended.

"Commission" means Federal Communications Commission.

Admissions

1. Waugh has worked for Preferred Communication Systems, Inc. ("PCSI") during every year from 1998 to the present.
2. Waugh has worked for Preferred Acquisitions, Inc. ("PAI").
3. Waugh has held shares of PCSI stock.
4. Waugh has held at least 10% of outstanding and issued shares of PCSI stock.
5. In 1990, Waugh formed Express Communications.

6. Subsequent to forming Express Communications, Waugh formed entities affiliated with that company.
7. In 1995, Waugh pled guilty to one count of conspiracy to structure financial transactions to evade reporting requirements, a felony (Case No. 3:94-CR-160-T).
8. In 1995, due to Waugh's conviction for structuring financial transactions to evade reporting requirements, he was sentenced to 21 months in federal prison, followed by three years of probation, and payment of \$20,000 in fines (Case No. 3:94-CR-160-T).
9. In a plea agreement Waugh entered in 1995, he agreed not to violate any federal, state, or local laws, and specifically regulations or orders issued by the United States Securities and Exchange Commission ("SEC") or any equivalent state agency; and agreed to divest himself, without compensation, of any ownership interests in Express Communications and affiliated entities (Case No. 3:94-CR-160-T).
10. In 1997, the United States District Court for the District of Columbia granted the SEC summary judgment against Waugh for violations of various securities regulations stemming from his involvement in Express Communications (Case No. 95-CV-2268).
11. In 1997, as a result of the SEC's summary judgment against Waugh, he was ordered to reimburse nearly \$13 million dollars and enjoined from violating various securities laws (Case No. 95-CV-2268).

12. In 1997, as a result of the SEC's summary judgment against Waugh, he was *thereafter enjoined by the SEC from dealing in securities of any kind, including those relating to telecommunications licenses (Case No. 95-CV-2268).*
13. In 1999, Waugh was convicted in Texas state court of securities fraud, a felony (Case No. F-9703517).
14. In 1999, Waugh was adjudged to have violated the terms of his parole from federal prison (Case No. 3:94-CR-160-T).
15. In 2001, Waugh was adjudged to have violated the terms of his probation on his state conviction by traveling to Puerto Rico (Case No. F-9703517).
16. As a result of findings that Waugh violated his federal and state parole provisions, he was sentenced to six additional months in federal prison (Case No. 3:94-CR-160-T) and four years in state prison (Case No. F-9703517).
17. Waugh was a founder of PCSI.
18. Waugh was a founder of PAI.
19. PCSI was formed to acquire Commission wireless licenses.
20. PAI was formed to acquire Commission wireless licenses.
21. PCSI was formed to acquire Commission wireless licenses and sell them for a profit.
22. PAI was formed to acquire Commission wireless licenses and sell them for a profit.
23. On April 14, 2000, Waugh executed an irrevocable voting trust agreement for a voting trust, set to expire on April 14, 2005, of which he was the

beneficiary, and for which Raymond A. Hebrank was to serve as the trustee
(See Attachment B).

24. PCSI prepared a stock certificate, dated April 14, 2000, which, by its terms, provided for the issuance of 800,000 shares of PCSI stock to the Raymond A. Hebrank, Trustee of the Pendleton C. Waugh Voting Trust, held for Waugh's benefit.
25. On April 14, 2005, Raymond A. Hebrank executed an amended and restated voting trust agreement outlining the terms under which an April 14, 2000 irrevocable trust agreement between Raymond A. Hebrank and Waugh would be continued until April 14, 2010 (See Attachment B).
26. Waugh did not sign the agreement described in item number 24 above (See Attachment B).

Attachment A

27. Attachment A is a true and accurate copy of PCSI's response, dated July 27, 2006, to the Enforcement Bureau's June 30, 2006 letter of inquiry in EB File No. EB-06-IH-2112, including attached declarations but not other attachments.
28. One or more officers of PCSI personally prepared the document which is appended hereto as Attachment A.
29. One or more officers of PCSI personally reviewed the document which is appended hereto as Attachment A for truthfulness, completeness, and correctness before it was filed with the Commission.

30. The signature that appears on the declaration of Waugh, included in the document appended hereto as Attachment A, belongs to Waugh.

Attachment B

31. Attachment B is a true and accurate copy of PCSI's response, dated January 25, 2007, to the Enforcement Bureau's December 27, 2006 letter of inquiry in EB File Number EB-06-IH-2112, including attached declarations, an Exhibit marked with Bates Stamp 000000, an Exhibit marked with Bates Stamp 000007-000012, and an Exhibit marked with Bates Stamp 000013-000021, but excluding other exhibits.
32. One or more officers of PCSI personally prepared the document which is appended hereto as Attachment B.
33. One or more officers of PCSI personally reviewed the document which is appended hereto as Attachment B for truthfulness, completeness, and correctness before it was filed with the Commission.
34. The signature that appears on the declaration of Waugh, included in the document appended hereto as Attachment B, belongs to Waugh.
35. PCSI did not file any supplement to its January 25, 2007 response to the Enforcement Bureau's December 27, 2006 letter of inquiry.

Attachment C

36. Attachment C is a true and accurate copy of an item appended to the Enforcement Bureau's December 27, 2006 letter of inquiry in EB-06-IH-2112 as Attachment A.

37. Except for the absence of a Bates Stamp Number "000000" in the lower right hand side and the absence of "VOID" handwritten across the front, Attachment C is identical to the Exhibit marked with Bates Stamp Number 000000, submitted with PCSI's January 25, 2007 response to the Enforcement Bureau's second letter of inquiry, appended hereto as Attachment B.

Attachment D

38. Attachment D is a true and accurate copy of PAI's FCC Form 175 Application to Participate in an FCC Auction, filed by PAI on July 17, 2000, with the Commission in connection with Auction 34 (File No. 0341843435).
39. One or more officers of PAI personally prepared the document which is appended hereto as Attachment D.
40. One or more officers of PAI personally reviewed the document which is appended hereto as Attachment D for truthfulness, completeness, and correctness before it was filed with the Commission.
41. The name that appears under Bidder 1 on page 1 of the document appended hereto as Attachment D is Michelle D. Bishop.
42. The name that appears under Bidder 2 on page 1 of the document appended hereto as Attachment D is Charles M. Austin.
43. The name that appears on page 1 of Exhibit A to FCC Form 175, included in the document appended hereto as Attachment D, as the Certifying Officer is Michelle D. Bishop, listed as Director and Secretary of PAI.

44. On Page 1 of Exhibit A to FCC Form 175, included in the document appended hereto as Attachment D, PAI listed Charles M. Austin as holding 100% of PCSI's common shares.
45. On Page 1 of Exhibit C to FCC Form 175, included in the document appended hereto as Attachment D, PAI stated that "PCSI has agreed to issue additional shares that would dilute the ownership of Mr. Austin, conditioned upon receipt of prior FCC approval. PCSI expects to file an application seeking such FCC approval with respect to PCSI's incumbent 800 MHz licenses in the near future. However, as PCSI is contractually committed to seek such FCC approval, PCSI is providing the information herewith to show what the ownership would be on a fully diluted basis after a receipt of FCC approval and after conversion into equity of all existing convertible debt instruments."
46. On pages 1-2 of Exhibit A to FCC Form 175, included in the document appended hereto as Attachment D, PAI indicated that PCSI's ownership would be diluted as follows: (1) Charles M. Austin, 32.7 %; (2) Raymond A. Hebrank Irrevocable Voting Trust, 32.7 %; and (3) Bishop Irrevocable Voting Trust, 32.7 %.
47. The document appended hereto as Attachment D does not explicitly state that the Raymond A. Hebrank Irrevocable Voting Trust was for the benefit of Waugh.

Attachment E

48. Attachment E is a true and accurate copy of PAI's FCC Form 602, FCC Ownership Disclosure Information for the Wireless Telecommunications

Services, Schedule for Disclosable Interest Holders, filed by PAI on September 20, 2000, with the Commission in connection with Auction 34 (File No. 0002080932).

49. One or more officers of PAI personally prepared the document which is appended hereto as Attachment E.
50. One or more officers of PAI personally reviewed the document which is appended hereto as Attachment E for truthfulness, completeness, and correctness before it was filed with the Commission.
51. The signature that appears on page 1 of the document appended hereto as Attachment E belongs to Michelle D. Bishop, whose title is listed as "Director Secretary."
52. On page 1 of Schedule A to PAI's Form 602, included in the document appended hereto as Attachment E, PAI identified PCSI as a disclosable interest holder with 100% of the interest in PAI.
53. On page 2 of Schedule A to PAI's Form 602, included in the document appended hereto as Attachment E, PAI identified Charles M. Austin as a disclosable interest holder with 100% of the interest in PCSI.
54. PAI did not identify to the Commission any disclosable interest holders in PAI other than Charles M. Austin and PCSI in the document appended hereto as Attachment E.

Attachment F

55. Attachment F is a true and accurate copy of PAI's FCC Form 601, FCC Application for Wireless Telecommunications Bureau Radio Service

Authorization, filed by PAI on September 27, 2000, with the Commission in connection with Auction 34 (File No. 0000222425).

56. One or more officers of PAI personally prepared the document which is appended hereto as Attachment F.
57. One or more officers of PAI personally reviewed the document which is appended hereto as Attachment F for truthfulness, completeness, and correctness before it was filed with the Commission.
58. The signature that appears on page 4 of the document appended hereto as Attachment F belongs to Charles M. Austin, who is identified as the Director of PAI.
59. In the document appended hereto as Attachment F, PAI listed only Charles M. Austin and PCSI as the real parties in interest behind PAI.
60. On Page 3 of the document appended hereto as Attachment F, PAI stated "no" to the question of whether "the applicant or any party to this application, or any party directly or indirectly controlling the applicant" has ever been "convicted of a felony by any state or federal court."
61. PAI knew before it filed its application that it must disclose to the Commission whether any applicant, any party to an application, or any party directly or indirectly controlling an applicant had been convicted of a felony.
62. On page 4 of the document appended hereto as Attachment F, Charles M. Austin certified on behalf of PAI that it "either (1) has current required ownership data on file with the Commission, (2) is filing updated ownership

data simultaneously with this application, or (3) is not required to file

ownership data under the Commission's rules.”

63. On Page 2 of Exhibit A of PAI's Form 601, included in the document appended hereto as Attachment F, PAI identified Charles M. Austin and PCSI as the only disclosable interest holders in PAI.

Respectfully submitted,
Kris Anne Monteith
Chief, Enforcement Bureau



Gary Oshinsky
Attorney, Investigations and Hearings Division



Anjali Singh
Attorney, Investigations and Hearings Division

Federal Communications Commission
445 12th Street, S.W., Room 4-C330
Washington, D.C. 20554
(202) 418-1420
September 5, 2007

ATTACHMENT A

PATTON BOGGS LLP
ATTORNEYS AT LAW

STAMP-IN

2550 M Street, NW
Washington, DC 20037-1350
202-457-6000

Facsimile 202-457-6315
www.pattonboggs.com

July 27, 2006

Paul C. Besozzi
(202) 457-5292
pbsozzi@pattonboggs.com

BY HAND DELIVERY

Dana Leavitt, Esquire
Special Counsel
Investigation and hearings Division
Enforcement Bureau
Federal Communications Commission
c/o NATEK
9300 East Hampton Drive
Capitol Heights, Maryland 20743

RECEIVED - FCC

JUL 27 2006

Federal Communication Commission
Bureau / Office

**Re: Preferred Communication Systems, Inc.
File No. EB-06- IH-2112**

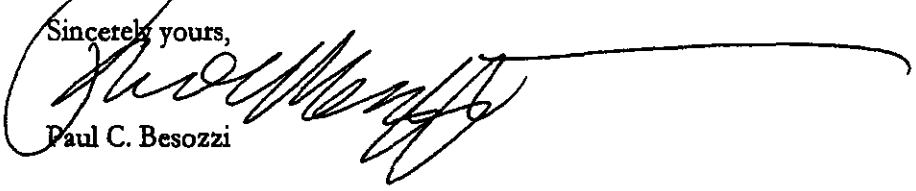
Dear Dana:

In accordance with that certain letter, dated June 30, 2006, from William H. Davenport, Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission in referenced file ("Letter"), enclosed responses and documents and declarations are provided at the direction and on behalf of Preferred Communication Systems, Inc.

Preferred appreciates the extensions of time that the Bureau permitted to respond to its inquiries. Preferred has made a good faith effort to search for all responsive materials going back to January 1, 1998. Preferred is providing what responsive information it has identified to date and is reserving the right to supplement its responses as its search efforts continue.

By separate transmittal, Preferred is submitting a request for confidential treatment under Section 0.459 of the Commissions rules for certain of the responsive information, to which are attached the documents for which such treatment is requested. As indicated therein, certain additional privileged documents, principally attorney-client communications, were not provided. A privilege log is being prepared to cover those documents.

Sincerely yours,


Paul C. Besozzi

cc: Charles M. Austin

4819001

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In re Preferred Communication Systems, Inc.

)
)
)
)
File No. EB-06-IH-2112

To: The Chief, Investigations & Hearings Division
Enforcement Bureau

Pursuant to the letter, dated June 30, 2006, from the Chief, Investigations & Hearings Division, Enforcement Bureau, FCC ("Letter of Inquiry" or "LOI"), the undersigned counsel, pursuant to the direction and on behalf of Preferred Communication Systems, Inc. ("PCSI", "Licensee" or "Company"), hereby submit the attached responses by and on behalf of Preferred. The responses below are provided following each inquiry posed in the LOI.

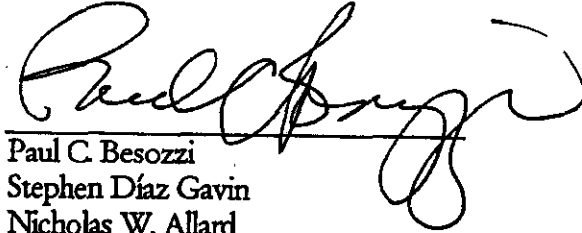
The Company notes that the LOI states that the inquiries contained therein are continuing in nature. Further, as previously noted by counsel for PCSI, the time to respond to the inquiries, which ask for information dating back to January of 1998, has been relatively short. Accordingly, PCSI expressly reserves the right to supplement its responses, as well as produce additional documents that the Company determines are responsive to the LOI.

In this regard, we note at the direction of PCSI that prior to receipt of the LOI, the Company had begun the process of shutting down its Escondido, California office and in doing so had begun the process of boxing and shipping documents to Arizona, where a new office is expected to be located. Accordingly, the Company believes that there may be additional documents that potentially might be responsive to the LOI. To the extent necessary, the Company will supplement the following responses as soon as it is able to obtain access to and review those documents.

Respectfully submitted,

**PREFERRED COMMUNICATION
SYSTEMS, INC.**

By:

A handwritten signature in black ink, appearing to read "Paul C. Besozzi", written over a horizontal line.

Paul C. Besozzi
Stephen Díaz Gavin
Nicholas W. Allard
Carly T. Didden
PATTON BOGGS LLP
2550 M Street, N.W.
Washington, D.C. 20037
(202) 457-6000
Its Counsel

Dated: July 27, 2006

DEFINITIONS

For purposes of these responses, the following definitions, which are directly taken from the LOI, apply:

"Any" shall be construed to include the word "all," and the word "all" shall be construed to include the word "any." Additionally, the word "or" shall be construed to include the word "and," and the word "and" shall be construed to include the word "or." The word "each" shall be construed to include the word "every," and the word "every" shall be construed to include the word "each."

"Document" shall mean the complete original (or in lieu thereof, exact copies of the original) and any non-identical copy (whether different from the original because of notations on the copy or otherwise), regardless of origin or location, of any taped, recorded, transcribed, written, typed, printed, filmed, punched, computer-stored, or graphic matter of every type and description, however and by whomever prepared, produced, disseminated, or made, including but not limited to any advertisement, book, pamphlet, periodical, contract, correspondence, letter, facsimile, e-mail, file, invoice, memorandum, note, telegram, report, record, handwritten note, working paper, routing slip, chart, graph, photograph, paper, index, map, tabulation, manual, guide, outline, script, abstract, history, calendar, diary, agenda, minutes, marketing plan, research paper, preliminary drafts, or versions of all of the above, and computer material (print-outs, cards, magnetic or electronic tapes, disks and such codes or instructions as will transform such computer materials into easily understandable form).

"Identify," when used with reference to a person or persons, shall mean to state his/her full legal name, current business address, and phone number. "Identify," when used with reference to a document, shall mean to state the date, author, addressee, type of document (e.g., the types of document, as described above), a brief description of the subject matter, its present or last known location and its custodian. "Identify," when used with reference to an entity other than a person, shall

mean to state its name, current or last known business address, and current or last known business telephone number.

"Licensee" shall mean Preferred Communication Systems, Inc., and any predecessor-in-interest, affiliate, parent company, wholly or partially owned subsidiary or any other affiliated company or business.

"Person" shall mean natural persons, corporations, trusts, trustees, partnerships, associations, trustees in bankruptcy, and receivers.

"Principal" or "Principals" shall mean all officers, directors, and/or persons directly or indirectly holding five percent or more of the outstanding stock or shares (voting and/or nonvoting) of the Licensee, all non-limited partners, and all limited partners holding a five percent or more interest in the Licensee.

INQUIRY NO. 1

Describe with particularity the nature of the business(es) in which the Licensee is and has been engaged during the period of time covered by this letter of inquiry.

LICENSEE RESPONSE

PCSI is an "early stage" company (i.e., one beyond the start-up phase) that was organized to own and operate communications systems in the Commission's 800 MHz Specialized Mobile Radio ("SMR") band. The Licensee holds Economic Area ("EA") licenses awarded by the FCC under Parts 1 and 90 of the FCC Rules and Regulations pursuant to its competitive bidding procedures,¹ as well as licenses to operate certain site-based SMR facilities acquired from other SMR licensees. The Company's EA licenses encompass a total population of approximately 29.4 million people in the District of Columbia and parts of California, Oregon, Virginia, West Virginia, Maryland, Pennsylvania, Kentucky, Ohio, North Carolina, Puerto Rico and the U.S. Virgin Islands. The Company paid the FCC approximately \$31.7 million for its EA licenses.² PCSI owns 100% of the issued and outstanding shares of Preferred Acquisitions, Inc. ("PAI"). PAI is the entity created by PCSI to acquire the EA licenses in Auction 34. In addition, Preferred holds certain authorizations licensed under Part 90 of its rules to specific locations.³

As an early stage company, the primary focus of PCSI's management and its consulting team has been to secure funding to complete its acquisitions of licenses according to its business plan and to

¹ 47 U.S.C. § 309(j); 47 C.F.R. Parts 1, 90.

² *Public Notice*, "800 MHz Specialized Mobile Radio (SMR) Service - General Category (851-854 MHz) and Upper Band (861-865 MHz) - Auction Closes," Report No. AUG-34-G (Auction No. 34), DA 00-2037, released September 6, 2000.

³ 47 C.F.R. Part 90. See response to Inquiry No. 4 for a list of FCC licenses held by PCSI and PAI.

fund construction and operation of its facilities. That process has been complicated by the untimely death of a substantial financial backer of the Company and the Commission's ongoing "rebanding" process for the SMR band,⁴ which in and of itself has significantly impacted the Company's business plan by both complicating the process for use of the frequencies as intended by the Company and impairing PCSI's continued ability to raise the necessary capital because of the uncertainties caused by the Rebanding Orders.

⁴ In the Matter of Improving Public Safety Communications in the 800 MHz Band, Report and Order, Fifth Report and Order, Fourth Memorandum Opinion and Order, and Order, 19 FCC Rcd. 14969 (2004), as amended by Erratum, released September 10, 2004, Erratum, DA 04-3208, 19 FCC Rcd. 19651 and Erratum, DA 04-3459, 19 FCC Rcd. 21818, released October 29, 2004 ("Initial Report and Order"); Supplemental Order and Order On Reconsideration, 19 FCC Rcd. 25120 (2004) ("Supplemental Order"); Memorandum Opinion and Order, FCC 05-174, 20 FCC Rcd. 16015, released October 5, 2005, as amended by Erratum, DA 05-3061, released November 25, 2005 ("Reconsideration Order") (collectively, "Rebanding Orders").

INQUIRY NO. 2

Identify all Principals of the Licensee during the period of time covered by this letter of inquiry. As to each such Principal:

- a. Specify his or her office, title, and/or interest in the Licensee;
- b. Specify the dates during which he or she held such office, title, and/or interest;
- c. State whether he or she is presently deceased, and, if so, the date on which he or she died;
- d. Specify the nature of any familial interest(s) with any other Principal;
- e. To the extent that any Principal is a trust, identify the trust and specify the following:
 - i. the trustee, beneficiary, and grantor for such trust;
 - ii. the terms of such trust;
 - iii. the date such trust was executed;
 - iv. the termination date, if any, of such trust;
 - v. the status of such trust; and
 - vi. provide all Documents relating to each such trust.
- f. State whether the Principal holds or has held any FCC authorization. If so, as to each such FCC authorization, specify the following:
 - i. licensee name, address, and telephone number;
 - ii. call sign;
 - iii. location;
 - iv. service;
 - v. grant date; and
 - vi. expiration date.

LICENSEE RESPONSE

The Principals of the Licensee during the relevant period and the information requested for each is as follows:

1. Charles M. Austin

Preferred Communication Systems, Inc.
400 E. Royal Lane, N24
Irving, TX 75039
972-869-7626

Question 2a: President/CEO/Chairman of the Board; 77.78% of voting stock, 54.97% of total equity, including non-voting preferred stock of PCSI.

Question 2b: January 1998 to present.

Question 2c: Not applicable (N/A)

Question 2d: N/A

Question 2e: N/A

Question 2f: N/A

2. Linda A. McClain

Preferred Communication Systems, Inc.
400 E. Royal Lane, N24
Irving, TX 75039
972-869-7626

Question 2a: Secretary/Treasurer

Question 2b: May 31, 2001 to present.

Question 2c: N/A

Question 2d: N/A

Question 2e: N/A

Question 2f: N/A

3. Michele D. Bishop

1190 S. Farrell Drive
Palm Springs, CA 92264
760-992-3302

Question 2a: Secretary/Treasurer

Question 2b: January 1998 to May 30, 2001

Question 2c: N/A

Question 2d: N/A

Question 2e: N/A

Question 2f: N/A

4. Gerald E. Setka

6921 Colburn Drive
Annandale, Virginia 22003
703-354-3651

Question 2a: 19.9% of voting stock; 14.09% of total equity, including nonvoting preferred stock

Question 2b: 1999

Question 2c: N/A

Question 2d: N/A

Question 2e: N/A

Question 2f: Licensee believes that Mr. Setka held an interest in a non-wireline cellular licensee in South Dakota, but has no specific information at this time.

5. Amide Pharmaceutical, Inc.

101 East Main Street
Little Falls, New Jersey 07424
973-890-1440

Question 2a: 14.50% of total equity of PCSI (all nonvoting, preferred stock)

Question 2b: 1999

Question 2c: N/A

Question 2d: N/A

Question 2e: N/A

Question 2f: Yes, but information not available at this time.

INQUIRY NO. 3

State whether the Licensee and/or any Principal thereof has ever been convicted of a felony in state or federal court. If so, as to each such conviction:

- a. Specify the offense(s) involved;
- b. Identify the person, and/or entity involved;
- c. Specify the dates of indictment, conviction, and sentencing;
- d. Provide a full and complete narrative description of the case, including, but not limited to, a description of the offenses identified in the indictment, the offenses of which the person and/or entity was convicted; plea agreement, and sentence;
- e. Provide copies of all orders relating to the disposition of the case;
- f. Specify the date on which each Principal first became aware of each such conviction, and describe the circumstances under which such information became known; and
- g. Upon learning of each such conviction, describe any discussions among the Principals as to the effect of each such conviction upon the Licensee.

LICENSEE RESPONSE

Neither the Licensee nor any Principal has been convicted of a felony in state or federal court.

INQUIRY NO. 4

Identify by (a) licensee name, address, and telephone number; (b) call sign; (c) location; (d) service; (e) grant date; and (f) expiration date, each authorization held by the Licensee during the period of time covered by this letter or inquiry.

LICENSEE RESPONSE

See attached spreadsheet.

**Preferred Communications Systems, Inc. and Preferred Acquisitions, Inc.
FCC Licenses**

Company Name	Licensee Address and Telephone	Call Sign	Location	Service	Grant Date	Expiration Date
Preferred Communications Inc.	400 E. Royal Lane, N24 Irving, TX 75039 Tel: (972) 869-7626 411	WPDU206	Santurce, PR	GX	5/19/1999	5/19/2000
Preferred Communications Inc.	400 E. Royal Lane, N24 Irving, TX 75039 Tel: (972) 869-7626 411	WPDU210	Santurce, PR	GX	5/19/1999	5/19/2000
Preferred Communications Inc.	400 E. Royal Lane, N24 Irving, TX 75039 Tel: (972) 869-7626 411	WPDU214	Santurce, PR	GX	5/19/1999	5/19/2000
Preferred Communications Inc.	400 E. Royal Lane, N24 Irving, TX 75039 Tel: (972) 869-7626 411	WPDU218	Santurce, PR	GX	5/19/1999	5/19/2000
Preferred Communications Inc.	400 E. Royal Lane, N24 Irving, TX 75039 Tel: (972) 869-7626 411	WPDU222	Santurce, PR	GX	5/19/1999	5/19/2000
Preferred Communications Inc.	400 E. Royal Lane, N24 Irving, TX 75039 Tel: (972) 869-7626 411	WPDU259	Santurce, PR	GX	2/28/2000	2/28/2001
Preferred Communications Inc.	400 E. Royal Lane, N24 Irving, TX 75039 Tel: (972) 869-7626 411	WPDU263	Santurce, PR	GX	6/15/1999	6/15/2000
Preferred Communications Inc.	400 E. Royal Lane, N24 Irving, TX 75039 Tel: (972) 869-7626 411	WPDU266	Santurce, PR	GX	5/24/1999	5/24/2000
Preferred Communications Inc.	400 E. Royal Lane, N24 Irving, TX 75039 Tel: (972) 869-7626 411	WPDU266	Santurce, PR	GX	5/4/1999	5/4/2000
Preferred Communications Inc.	400 E. Royal Lane, N24 Irving, TX 75039 Tel: (972) 869-7626 411	WPDU271	Santurce, PR	GX	6/15/1999	6/15/2000
Preferred Communications Inc.	400 E. Royal Lane, N24 Irving, TX 75039 Tel: (972) 869-7626 411	WPDU271	Santurce, PR	GX	6/15/1999	6/15/2000
Preferred Communications Inc.	400 E. Royal Lane, N24 Irving, TX 75039 Tel: (972) 869-7626 411	WPDU275	Santurce, PR	GX	6/15/1999	6/15/2000